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**SALLQUIST, DRUMMOND & O'CONNOR, P.C.**

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RECEIVED

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AZ CORP COMMISSION

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**ORIGINAL**

RICHARD L. SALLQUIST

November 14, 2008

**HAND DELIVERY**

Kay Kilger

Arizona Corporation Commission

Docket Control

1200 West Washington Street

Phoenix, Arizona 85007

Arizona Corporation Commission

DOCKETED

NOV 14 2008

DOCKETED BY

Re: Sunrise Utilities, LLC; Docket Nos. WS-04247A-04-0604 and W-03067A-04-0216;  
Decision No. 68247; Request for Extension of Time to Comply

Dear Ms. Kilger:

The subject Company hereby requests an extension of the due dates for the Compliance Items established in the Procedural Order dated February 20, 2008 for the Arizona Department of Environmental Quality's ("ADEQ") Approval to Construct ("ATC") for water facilities and the Aquifer Protection Permit ("APP"), and the Arizona Department of Water Resources' ("ADWR") Adequacy Analysis, all of which were due October 25, 2008.

The ADWR Adequacy Analysis was recently issued on July 9, 2008, and has now been docketed under separate cover, a copy of which is attached hereto.

As one might expect in this chaotic real estate market, some of the underlying real estate has changed hands. Certain interests in the Company have also been realigned and were finalized just this week. That realignment solved the provision of the financial assurances required by ADEQ as indicated in our October 20, 2007 Request for Extension for the APP. That financial documentation will be filed with ADEQ by the new controlling shareholders within 10 business days. As also stated in our October 12, 2007 Request, the Company expects the Technical Review to be completed within five to six months of providing that financial information.

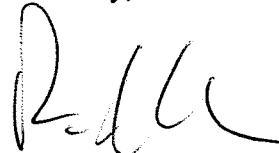
The Application for the ATC for Water Facilities is expected to be filed within 30 days, with a six month processing time. The Company has acquired additional existing wells, which were also utilized in the ADWR Analysis review. These new sources

required the Company's new engineering firm to redesign the distribution system. Also, the subdivisions were replatted as explained in the Developer's letter of support for the extension, which letter is attached.

The Company now believes the obstacles to timely obtaining the Compliance Items have been resolved. Therefore, the Company hereby requests the Commission extend the Compliance Dates for the ADEQ APP, the ADEQ ATC for water facilities, and the ADWR Adequacy Analysis be extended to October 25, 2009.

Thank you for your consideration in this regard. In the event you have any questions regarding this matter, please do not hesitate to call the undersigned.

Sincerely,

A handwritten signature in black ink, appearing to read 'R. Sallquist', written over a horizontal line.

Richard L. Sallquist

Enclosures

Cc: Brian Bozzo  
Mike Black

**SALLQUIST, DRUMMOND & O'CONNOR, P.C.**

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1200 West Washington Street

Phoenix, Arizona 85007

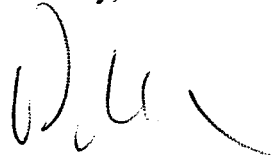
Re: Sunrise Utilities, LLC; Docket Nos. WS-04247A-04-0604 and W-03067A-04-0216;  
Decision No. 68247; Compliance Filing

Dear Ms. Kilger:

The Procedural Order dated February 20, 2008 in this docket extended the filing date for the Arizona Department of Water Resources' Adequacy Analysis. Attached hereto are fifteen (15) copies of that Analysis.

In the event you have any questions regarding this matter, please do not hesitate to call the undersigned.

Sincerely,



Richard L. Sallquist

Enclosures

Cc: Brian Bozzo  
Mike Black

## ARIZONA DEPARTMENT OF WATER RESOURCES

## Office of Assured and Adequate Water Supply

3550 North Central Ave., 2<sup>nd</sup> floor, Phoenix, Arizona 85012

Telephone (602) 771-8599

Fax (602) 771-8689

Janet Napolitano  
GovernorHerbert R. Guenther  
DirectorANALYSIS OF ADEQUATE WATER SUPPLY

July 9, 2008

**File Number:** 43-700506.0000  
**Development:** Michael T. Black Properties  
**Location:** Township 39 North, Range 16 West, Sections 11 & 14  
Mohave County, Arizona

**Land Owner:** Michael T. Black Family Limited Partnership, a Nevada limited partnership;  
Scenic Investments LLC, a Nevada limited liability company;  
Michael T. Black and Lori Jo Black, husband and wife as joint tenants with  
right of survivorship;  
Mesquite AZ., LLC, a Nevada limited liability company;  
The Michael T. Black Family Trust Dated November 20, 1997

The Arizona Department of Water Resources has evaluated the Analysis of Adequate Water Supply application for Michael T. Black Properties pursuant to A.A.C. R12-15-712. The proposed development includes 2140 single-family residential lots and 2140 multi-family units. An undetermined water provider will deliver water to the master-planned development. Conclusions of the review are indicated below based on the adequate water supply criteria referenced in A.R.S. § 45-108 and A.A.C. R12-15-712.

- **Physical, Continuous, and Legal Availability of Water for 100 Years**  
On the basis of the Department's review, the Department has determined that 1410.17 acre-feet per year of groundwater will be **physically and continuously available**, which is equivalent to the annual estimated water demand for the development of 1410.17 acre-feet per year. The application did not include a Notice of Intent to Serve form. The development is partially located inside the current service area of Virgin Mountain Utilities. Therefore, **legal availability** of the water is not considered proven. Applications for Water Reports that follow the Analysis of Adequate Supply will need to reference this letter. Individual Notices of Intent to Serve will be required for each application for a Water Report.
- **Adequate Water Quality**  
This requirement will be evaluated according to the criteria in A.A.C. R12-15-719 at the time an application for a Water Report is filed. Prior to preparing an application for a Water Report, the Office of Assured Water Supply may be contacted for further guidance.

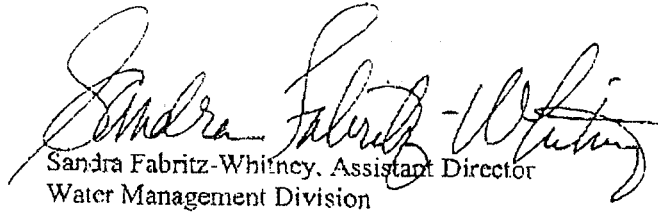
• **Financial Capability of the Owner to Construct the Necessary Distribution System**

This requirement will be evaluated according to the criteria in A.A.C. R12-15-720 at the time an application for a Water Report is filed. Prior to preparing an application for a Water Report for an individual subdivision plat, the Office of Assured Water Supply may be contacted for further guidance.

The term of this Analysis of Adequate Water Supply is ten years from the date of this letter and may be renewed upon request, subject to approval by the Department. See A.A.C. R12-15-712. Throughout the term of this determination, the annual estimated water demand of this development will be considered when reviewing other requests for adequate water supply in the area.

Prior to obtaining plat approval by the local platting authority and approval of the public report by the Department of Real Estate, a Water Report must be obtained for each subdivision plat. The findings of this Analysis of Adequate Water Supply may be used to demonstrate that certain requirements for a Water Report have been met. This determination may be invalidated if the development plan or other conditions change prior to filing for a Water Report. Changes in the number or locations of wells may impact applicability of this determination to future applications for determinations of adequate water supply.

Questions may be directed to the Office of Assured/Adequate Water Supply at (602) 771-8599.



Sandra Fabritz-Whitney, Assistant Director  
Water Management Division

cc: Chris Catalano, Southwest Ground-water Consultants  
Rick Obenshain, Office of Assured and Adequate Water Supply

**Scenic Investments L.L.C.**

**PO Box 3660  
Mesquite, NV 89024**

October 31, 2008

Linda Jaress  
Arizona Corporation Commission  
1200 W. Washington Street  
Phoenix, AZ 85007-2927

RE: Sunrise Utilities

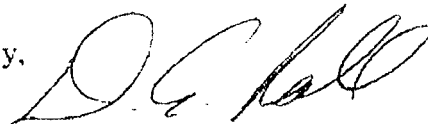
Dear Mrs. Jaress:

Per your request I am re-emphasizing Vista Montana Subdivision's need for water and wastewater service in Scenic, AZ to be provided by Sunrise Utilities. As the process in obtaining a CC&N took significantly longer than anticipated our approved sketch plan for Mesquite Heights, issued by Mohave County July 16, 2004, had expired, initiating a complete resubmittal. The project was then renamed Vista Montana, to comply with Mohave County's regulations, and resubmitted Nov. 4, 2005. On Feb. 28, 2006 our sketch plan was approved and a new tract number was issued. Our preliminary plat has undergone a several revisions and should be approved in the next couple of months.

We hired Southwest Ground-water Consultants, Inc in July, 2007 help us obtain a water adequacy report for Vista Montana and surrounding property. The scope of work included the development of a ground water mode for the entire area. Based on this effort, The Arizona Department of Water Resources issued an Analysis of Adequate Water Supply on July 9, 2008. This letter is attached.

We would appreciate an extension of Sunrise Utilities' CC&N. Sunrise Utilities is essential to meeting the needs of our subdivision and the surrounding community. If you have any questions or concerns please feel free to contact me at (702) 346-6195.

Sincerely,



David Rall  
President  
Scenic Investments L.L.C.